

NASHVILLE, TENNESSEE

IN RE:

DOCKET NO.
05-00219

This matter came before the Hearing Officer of the Tennessee Regulatory Authority (the “Authority” or “TRA”) at a Hearing held on November 17, 2005, to consider the *Application for Certificate to Provide Facilities-Based and Resold Competing Local Telecommunications Services* (the “*Application*”) filed by RTC Solutions, Inc. (“RTC”) on August 4, 2005. The *Application* requests the Authority to grant a certificate of public convenience and necessity to provide facilities-based and resold competing local exchange service, including exchange access telecommunications services, within the State of Tennessee.

RTC's *Application* was made pursuant to, and was considered in light of, the criteria for granting a Certificate of Public Convenience and Necessity ("CCN") as set forth in Tenn. Code Ann. § 65-4-201 (Supp. 2005), which provides, in pertinent part:

- (a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or

other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

* * *

(c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

(1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders; and

(2) The applicant possesses sufficient managerial, financial, and technical abilities to provide the applied for services.

* * *

(d) Subsection (c) is not applicable to areas served by an incumbent local exchange telephone company with fewer than 100,000 total access lines in this state unless such company voluntarily enters into an interconnection agreement with a competing telecommunications service provider or unless such incumbent local exchange telephone company applies for a certificate to provide telecommunications services in an area outside its service area existing on June 6, 1995.¹

¹ Notwithstanding the existence of subsection (d), the Federal Communications Commission ("FCC") has expressly preempted the Authority's enforcement of subsection (d) pursuant to the authority granted to the FCC under 47 U.S.C. § 253(d). *In the Matter of AVR, L.P. d/b/a Hyperion of Tennessee, L.P. Petition for Preemption of Tennessee Code Annotated Section 65-4-201(d) and Tennessee Regulatory Authority Decision Denying Hyperion's Application Requesting Authority to Provide Service in Tennessee Rural LEC Service Area, Memorandum Opinion and Order*, 14 FCC Rcd 11,064 (May 27, 1999), *Memorandum Opinion and Order*, 16 FCC Rcd 1,247 (January 8, 2001). The Authority has since issued an order expanding a competing local exchange carrier's CCN to provide telecommunications services on a statewide basis including areas served by incumbent local exchange carriers with fewer than 100,000 total access lines in Tennessee. *See In re Application of Level 3 Communications, LLC to Expand its CCN to Provide Facilities-Based Local Exchange and Interexchange Telecommunications Services in all Tennessee Service Areas*, Docket No. 02-00230, *Order Approving Application of Level 3 Communications, L.L.C. to Amend Its Certificate of Public Convenience and Necessity* (June 28, 2002).

Furthermore, pursuant to Tenn. Code Ann. § 65-5-112 (2004), a competing telecommunications provider is required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses; and (2) information on programs that might provide technical assistance to such businesses.

The November 17, 2005 Hearing

Pursuant to Tenn. Code Ann. § 65-4-204 (2004), public notice of the Hearing in this matter was issued by the Hearing Officer on November 7, 2005. No persons sought intervention prior to or during the Hearing. At the Hearing held on November 17, 2005, Mr. Philip A. Erli, Chief Financial Officer for RTC and Executive Vice President of Ringgold Telephone Company, participated in the Hearing, presented testimony and was subject to examination by the Hearing Officer. Mr. John J. Becci, Manager of Regulatory Affairs for John Staurulakis, Inc., was also present. Upon RTC's conclusion of the presentation of its proof, the Hearing Officer granted RTC's *Application* based upon the following findings of fact and conclusions of law:

I. RTC's Qualifications

1. RTC is a corporation originally organized under the laws of the State of Georgia on February 24, 2005, and was qualified to transact business in the State of Tennessee on April 4, 2005.²

² RTC Solutions, Inc. is a wholly owned subsidiary of Ringgold Telephone Company. Other subsidiaries of Ringgold Telephone Company are Ringgold Telephone Long Distance, Community Messenger, Inc., and Ringgold Telephone PCS Corporation. Ringgold Telephone Long Distance was authorized as a reseller of interexchange services in Tennessee in Docket No. 01-00934.

2. The complete street address of RTC's registered agent is Stephen Jacoway, 537 Market Street, Suite 202, Chattanooga, Tennessee 37402. The complete street address of RTC's corporate office is 6203 Alabama Highway, Ringgold, Georgia 30736-0869. The telephone number is (706) 965-2345 and the facsimile number is (706) 965-1720.

3. The *Application* and supporting documentary information existing in the record indicate that RTC has the requisite technical and managerial ability to provide competitive access services and transport telecommunications services within the State of Tennessee. Specifically, RTC's senior management team possesses extensive business, technical, operational and regulatory telecommunications experience.

4. RTC has the necessary capital and financial ability to provide the services it proposes to offer.

5. RTC has represented that it will adhere to all applicable policies, rules and orders of the Authority.

II. Proposed Services

RTC proposes to offer local exchange service initially via resale and Unbundled Network Platform. RTC expects to offer local exchange services, including basic local service and custom calling features, to business and residential customers in Tennessee. RTC plans to offer basic access line service, PBX and DID Services, Optional Calling Features, Directory Assistance, and Operator Services, as well as all services required under TRA Rule 1220-4-8-.04.

III. Permitting Competition to Serve the Public Convenience and Necessity

Upon a review of the *Application* and the record in this matter, the Hearing Officer finds that approval of RTC's *Application* would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and by fostering the development of an efficient, technologically advanced statewide system of telecommunications services.

IV. Small and Minority-Owned Telecommunications Business Participation Plan and Business Assistance Program

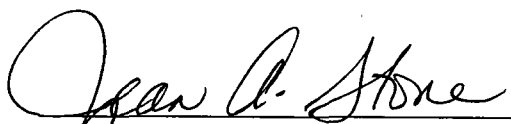
RTC has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 (2004) and the Authority's Rules.

V. Compliance with Tennessee's County-Wide Calling Requirements

RTC has indicated its awareness of, and its obligation to comply with, the requirements of county-wide calling as set forth in Tenn. Code Ann. § 65-21-114 (2004).

IT IS THEREFORE ORDERED THAT:

1. The *Application for Certificate to Provide Facilities-Based and Resold Competing Local Telecommunications Services* filed by RTC Solutions, Inc. is approved; and
2. Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen (15) days from and after the date of this Order.


Jean/A. Stone, Hearing Officer